

VZCZCXR05428  
PP RUEHDH RUEHDIR  
DE RUEHDE #0241 1611429

ZNR UUUUU ZZH  
P R 101429Z JUN 09  
FM AMCONSUL DUBAI  
TO RUEHC/SECSTATE WASHDC PRIORITY 6527  
INFO RUEHAD/AMEMBASSY ABU DHABI 3564  
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE  
RUEHEG/AMEMBASSY CAIRO 0296  
RUEHDM/AMEMBASSY DAMASCUS 0052  
RUEHNE/AMEMBASSY NEW DELHI 0162  
RUEHLB/AMEMBASSY BEIRUT 0048  
RUEHDE/AMCONSUL DUBAI 9810

UNCLAS DUBAI 000241

SENSITIVE  
SIPDIS

DEPARTMENT FOR NEA/FO; NEA/ARP/BMASILKO

E.O. 12958: N/A  
TAGS: FAIR ECON PREL AE  
SUBJECT: DUBAI'S LOW-COST AIRLINE LAUNCHES INAUGURAL ROUTES

**¶1.** (U) During its first two weeks of operation, flydubai--Dubai's new low-cost airline--launched inaugural routes to Beirut and Amman on June 1 and additional routes to Damascus and Alexandria on June 8 and 9, respectively. The new airline will focus on destinations four hours or less from Dubai and aims to support Dubai's commercial and tourism sectors by providing business travelers and regional tourists an affordable option to popular, high-demand destinations.

**¶2.** (U) The new airline is operating out of Dubai International Airport's (DXB) Terminal 2. flydubai was established as an independent company, but will initially be supported by Dubai's well-known long-haul carrier Emirates. (Its offices are in Emirates cavernous new headquarters building.) Emirates' Chairman HH Sheikh Ahmed bin Saeed Al Maktoum will also be the Chairman of flydubai; former Emirates Senior Vice President Ghaith Al Ghaith is CEO. flydubai has ordered 54 next generation 737-800 Boeing aircraft. The new airline is set on rapidly expanding its routes throughout the Middle East and India; eventually, expanding to Iran, Eastern Europe, and North and East Africa. flydubai has two 737-800s in operation, with two more coming on line next month, allowing initial flights to India and select GCC destinations. Ghaith Al Ghaith told the Consul General flydubai plans to house six aircraft operating by end-2009. He said business had been "excellent" to date.

**¶3.** (SBU) Comment: Press reports indicate other regional low-cost carriers, particularly Sharjah-based Air Arabia, are concerned about Dubai Government-backed flydubai being able to undercut their prices. End Comment.

SUTPHIN